

Message Text

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ACTION STR-04

INFO OCT-01 ARA-10 NEA-10 IO-13 ISO-00 FEA-01 AGRE-00
CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-01
INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01
EPG-02 AID-05 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01
SP-02 OMB-01 AF-10 EA-07 EUR-12 OIC-02 STRE-00
/140 W

-----041389 222149Z /63

P R 221732Z JUL 77
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 9583
AMEMBASSY BRASILIA
INFO ALL OECD CAPITALS
AMEMBASSY BUENOS AIRES
AMEMBASSY MEXICO
AMEMBASSY NEW DELHI

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USMTN USEEC USOECD

ACTION STR

STR PASS CODEL

E.O. 11652: NA
TAGS: ETRD MTN
SUBJ: NTM PARENT GROUP MEETING, JULY 21, 1977

REF: A. GENEVA 6097, B. GENEVA 6125

1. SUMMARY: US PROPOSAL FOR REQUEST AND OFFER (R/O)
PROCEDURE ON NTMS WIDELY WELCOMED AS A POSITIVE EFFORT
TO GET NEGOTIATIONS MOVING. MOST DELS SUPPORTED PRO-
CEDURES AND TIME FRAME OF US PROPOSAL AND SUGGESTED
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THAT "INITIAL" REQUESTS BE SUBJECT TO NOVEMBER 1 DEAD-
LINE WITH OTHER DATES BEING CONSIDERED TARGETS RATHER
THAN DEADLINES. SOME QUESTIONED ITS RELATIONSHIP TO
MULTILATERAL APPROACHES ON NTMS IN SUBGROUPS. LDCS
CRITICIZED LACK OF S&D PROVISIONS (REF A) AND ASKED
FOR MORE TIME TO STUDY THE PROPOSAL. GROUP TO RECON-
VENE 28 JULY (IN ANTICIPATION OF GROUP AGRICULTURE AP-

PROVAL OF A SIMILAR R/O PROCEDURE ON 27 JULY (REF B)
TO CONTINUE DISCUSSION ON US PROPOSAL AND ANTIDUMPING.
END SUMMARY.

2. US DEL (NEWKIRK) PRESENTED PROPOSAL FOR R/O PROCEDURE ON INDUSTRIAL NTMS (TEXT BEING SENT SEPTTEL) DECLARING TIME HAD COME TO MOVE TO NEGOTIATING STAGE, BUILDING ON RESULTS OF NOTIFICATION/CONSULTATION PROCEDURES ALREADY ESTABLISHED IN THE NTM GROUP AND SUBGROUPS. US CALLED ON PARTICIPANTS TO AGREE ON AMBITIOUS WORK PROGRAM WITH REQUESTS DUE BY NOVEMBER 1 AND OFFERS BY JANUARY 15, 1978, AND TO ACCELERATE WORK ON NTM CODES SO TEXTS ARE TABLED BY DECEMBER 15. US EMPHASIZED THAT THRUST OF R/O APPROACH IS AIMED AT NTMS NOT BEING DEALT WITH THROUGH MULTILATERAL APPROACHES, BUT THAT NO NTM IS EXCLUDED FROM THIS APPROACH. US STRONGLY URGED ACCEPTANCE OF COMPLETE TIME FRAME IN OUR PROPOSAL BECAUSE IT PROVIDES FOR INTEGRATED APPROACH TO BOTH CODE AND BILATERAL NEGOTIATIONS, THAT WILL GIVE COUNTRIES ALTERNATIVE PROCEDURES BY WHICH THEY MIGHT BEST PROCEED IN SEEKING NTM LIBERALIZATION.

3. ALL DELS WHO SPOKE WELCOMED US INITIATIVE AND SUPPORTED THE IMPETUS IT WOULD GIVE TO THE NEGOTIATIONS. EC (ABBOTT), NORDICS (HAGFORS), CANADA (AMB GREY), AUSTRALIA (AMB FOGARTY), AUSTRIA, NEW ZEALAND AND UK SPEAKING FOR HONG KONG, STRONGLY SUPPORTED US PROPOSAL, WITH LIMITED OFFICIAL USE

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SWITZERLAND, JAPAN, INDIA, ARGENTINA, ANDEAN GROUP, AND HUNGARY ASKING FOR MORE TIME TO STUDY IT. CANADA AND AUSTRALIA, SUPPORTED BY A HOST OF LDCEs, ASKED THAT DATES FOR R/O BE CONSIDERED AS TARGETS, WITH R/O PROCESS BEING KEPT OPEN UNTIL TERMINATION OF MTN. AMB GREY STATED THAT, UNLIKE CANADA'S POSITION IN GROUP AGRICULTURE, HE SAW NO NEED TO LINK NTM PROCEDURES WITH A TARIFF NEGOTIATING PLAN AND REGARDED NOVEMBER 1 DATE FOR REQUESTS AS ACCEPTABLE. AUSTRALIA AND ARGENTINA WERE THE ONLY DELEGATES WHO CONSIDERED THE SCHEDULE "TOO TIGHT". EC URGED THAT NOVEMBER 1 DATE SHOULD BE FIRM FOR "INITIAL" REQUESTS, SAYING THAT DELS WHICH SERIOUSLY WANT TO PARTICIPATE IN THE DISCUSSION SHOULD BE WILLING TO MEET THIS DATE. CANADA AND EC SAID THAT THEY PLANNED TO SUBMIT REQUESTS ONLY ON NON-TARIFF MEASURES NOT BEING DEALT WITH MULTILATERALLY, BUT WOULD CONSIDER OTHER NTMS IN LIGHT OF PROGRESS ON MULTILATERAL APPROACHES IN SUBGROUPS. SEVERAL DELS UNDERSCORED THE NEED NOT TO PREJUDICE POSSIBLE MULTILATERAL APPROACHES IN OTHER NTM AREAS, INCLUDING QRS (UK FOR HONG KONG AND AUSTRALIA, IN PRIVATE CONVERSATION), SECTORS (CANADA), ANTIDUMPING (INDIA) AND FRAMEWORK (ROMANIA). THE EC REMARKED THAT NO PRECISE DATE NEEDED FOR THE TABLING OF TEXTS, BUT URGED THAT THIS

TASK BE ACCOMPLISHED AS EARLY AS POSSIBLE.
AUSTRALIA COMMENTED ON THE RELATIONSHIP OF THE US PRO-
POSAL WITH THE LINK BETWEEN NTMS AND TARIFFS AS WELL AS
OTHER ASPECTS OF THE MTN AND HOPED THAT A PROCEDURE
COULD BE DEvised TO TIE THE PROPOSAL WITH THE TARIFF
PLAN IN ORDER TO ACHIEVE OVERALL TRADE LIBERALIZATION.

4. S&D: INDIA, ROMANIA, BRAZIL AND ARGENTINA RECALLING
DISCUSSIONS IN THE PREVIOUS DAY'S GROUP AGRICULTURE MEETING
(REF B), WERE JOINED BY NIGERIA, JAMAICA, SRI LANKA, PHIL-
IPPINES AND ZAIRE NOTING THE LACK OF SPECIAL AND DIFFERENTIAL TREAT-

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ACTION STR

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MENT (S&D) FOR LDCS IN THE US PROPOSAL. THEY URGED S&D PRO-
VISIONS FOR LDCS SUCH AS SPECIAL PROCEDURES (TRANSPARENCY
AND PLURILATERALISM) AND A COMMITMENT TO REACH AGREEMENT
ON FURTHER ARTICULATION OF S&D WITHIN THE CONTEXT OF THE

R/O TIME TABLE.

5. US EXPRESSED GRATIFICATION WITH GROUP'S RECEPTIVITY TO US PROPOSAL AND CONFIRMED THAT PROPOSAL IS NOT DESIGNED TO PREJUDICE MULTILATERAL NTM WORK. IN RESPONSE TO THE AUSTRALIAN OFFICIAL USE

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LIAN OBSERVATION REGARDING THE LINK BETWEEN TARIFFS AND NTMS THE US DEL STATED THAT OUR PROPOSAL SHOULD FOCUS ATTENTION ON THIS ISSUE AND STIMULATE FURTHER DISCUSSION. ON LDC S&D SUGGESTIONS, US EXPRESSED WILLINGNESS TO CONSIDER CONCRETE PROPOSALS AND POINTED TO ADVANTAGES OF US PROCEDURES FOR FOCUSING ON SPECIFIC LDC TRADE PROBLEMS. US URGED DELS TO TAKE THIS OPPORTUNITY TO JOIN IN AN ACTIVE NEGOTIATING PROGRAM AND STRESSED THE NECESSITY OF AGREEMENT ON US PROPOSAL BEFORE THE SUMMER BREAK. AFTER ARGENTINA RECALLED THE STATUS OF DISCUSSIONS IN GROUP AGRICULTURE THE GROUP AGREED TO RECONVENE TO FURTHER CONSIDER THE US PROPOSAL ON 28 JULY.

6. EXPORT LICENSING: THE SWISS REITERATED THEIR PROPOSAL TO HAVE THE QR SUBGROUP'S DRAFT LICENSING TEXTS APPLIED TO EXPORT LICENSING PROCEDURES, EXPLAINING LOGIC AND SYMMETRY FOR SUCH TREATMENT AS FOUND IN GATT. CANADA'S AMB. GREY OPPOSED, DECLARING THAT "THESE NEGOTIATIONS ARE NOT A MATTER OF LOGIC OR AESTHETICS", AND WAS JOINED IN HIS OPPOSITION BY AUSTRALIA, ARGENTINA, MEXICO, NIGERIA, BRAZIL AND INDIA. ISRAEL AND EC URGED SERIOUS CONSIDERATION OF PROPOSAL, NOTING THAT IT COVERS LICENSING PROCEDURES, NOT RESTRICTIONS. US, REITERATING ITS BELIEF THAT THE QR SUBGROUP IS COMPETENT TO DEAL WITH QUANTITATIVE EXPORT RESTRICTIONS, SUGGESTED POSTPONEMENT OF DISCUSSION ON PROPOSAL.

7. VARIABLE LEVIES: AUSTRALIA, WHICH HAS FAVORED A MULTILATERAL APPROACH TO VARIABLE LEVIES, MINIMUM IMPORT PRICES, AND OTHER NON-TARIFF CHARGES, SAID THAT IN LIGHT OF US PROPOSAL THEY WOULD NO LONGER PRESS FOR ESTABLISHMENT OF A SUBGROUP ON THESE TOPICS. AMB FOGARTY ANNOUNCED, HOWEVER, THAT THEY WOULD PURSUE NEGOTIATING ARRANGEMENTS TO LIMITED OFFICIAL USE

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REALIZE THEIR OBJECTIVE OF REDUCING THE TRADE DISTORTIVE EFFECTS OF SUCH MEASURES. THE US SUPPORTED THE AUSTRALIANS' OBJECTIVES. UNCHARACTERISTICALLY, EC MADE NO RESPONSE.

8. ANTIDUMPING: EGYPT (HAMZA) MADE ONLY SUBSTANTIVE INTERVENTION ON ANTIDUMPING, FOCUSING ON RE-DEFINING DUMPING FOR LDCS (EXPORT PRICES TO THIRD COUNTRY TO BE USED INSTEAD OF HOME MARKET PRICES FOR COMPARISON WITH EXPORT PRICES), NEED FOR STRICT MATERIAL INJURY CRITERIA, SURVEILLANCE BODY AND RULE TO PROHIBIT ANTIDUMPING ACTIONS ON MERCHANDISE SUBJECT TO VOLUNTARY RESTRAINT AGREEMENTS. HAMZA FURTHER SUGGESTED THAT IN COMPARING HOME MARKET PRICES WITH EXPORT PRICES ALLOWANCE BE MADE NOT ONLY FOR TAXES ON EXPORTED PRODUCT, BUT ALSO FOR TAXES ON RAW MATERIAL INPUTS. HAMZA REQUESTED THE GATT SECRETARIAT TO PREPARE A LIST OF ANTIDUMPING INVESTIGATIONS INVOLVING LDCS TO DEMONSTRATE SCOPE OF PROBLEMS. FURTHER DISCUSSION OF THIS TOPIC POSTPONED AT MEXICAN REQUEST (WHO HAD NOT YET RECEIVED INSTRUCTIONS FOR THIS ISSUE) UNTIL 28 JULY MEETING.

9. COMMENT: US DEL PLEASED WITH POSITIVE RECEPTION OF US PROPOSAL. LDCS ARE MEETING 25 JULY TO DRAFT SUGGESTED S&D TEXTS FOR US PROPOSAL. US DEL IS WORKING CLOSELY WITH INDIVIDUAL LDCS IN ORDER TO ARRIVE AT A MUTUALLY ACCEPTABLE LANGUAGE. END COMMENT.CULBERT

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Message Attributes

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